

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>)	VIRGINIA GAS
)	AND OIL BOARD
RELIEF SOUGHT	EXCEPTION TO STATEWIDE SPACING)	
	LIMITATIONS PRESCRIBED BY)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2))	<u>VGOB-09-0721-2568</u>
	FOR <u>WELL NO. V-536736</u>)	
)	
)	
)	
LEGAL DESCRIPTION:)	
)	
	DRILLING UNIT SERVED BY WELL)	
	NUMBERED <u>V-536736</u>)	
	TO BE DRILLED IN THE LOCATION)	
	DEPICTED ON EXHIBIT A HERETO,)	
	<u>George H. Fuller Tract No. T-293</u>)	
	79.60 Acres, more or less)	
	<u>PRATER QUADRANGLE</u>)	
	<u>SANDLICK DISTRICT</u>)	
	<u>DICKENSON COUNTY, VIRGINIA</u>)	
	(the "Subject Lands" are more particularly described)	
	on Exhibit "A" , attached hereto and made a part)	
	hereof))	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m. on July 21, 2009 and continued to August 18, 2009** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this

hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Revised Exhibit B.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-536736.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-536736, which is 2,353 feet from existing Range Resources-Pine Mountain, Inc. Well No. V-536733 and 2,182 feet from CNR existing Well No. 24545 at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is Range Resources-Pine Mountain, Inc. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 6.2 Applicant Range Resources-Pine Mountain, Inc. is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. V-536736 as well as the right to participate and develop the reciprocal well, being Well No. V-536733 and 24545;
 - 6.4 The proposed Well No. V-536736 is located on the George H. Fuller Tract No. T-293 and the surface, coal, gas and oil owners have consented to the proposed location for Well No. V-536736 that is depicted on the Plat attached hereto as **Exhibit A**;
 - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal Well Nos. V-536733 and 24545; and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. V-536736 is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of 450 million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
 - 6.7 Applicant proposes the drilling of Well No. V-536736 to a depth of 6,031 feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, Ravencloff, Maxon, Big Lime, Weir, Berea and Devonian Shale, from surface to total depth drilled, 6,031 feet ("Subject Formations");

- 6.8 Applicant proposes to drill Well No. V-536736 a distance of 147 feet closer to existing Range Resources-Pine Mountain, Inc. Well No. V-536733 and 318 feet closer to existing CNR Well No. 24545 than the 2500 feet mandated by statewide spacing;
- 6.9 Applicant proposes to complete and operate Well No. V-536736 for the purpose of producing Conventional Gas;
7. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
8. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
9. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 9th day of October, 2009, by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley Lambert

DONE AND PERFORMED this 8th day of October, 2009, by Order of this Board.


David Asbury
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF ~~WASHINGTON~~)

Russell 8th day of October, 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley Lambert being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared David Asbury, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires: September 30, ²⁰¹³2009

[c:\msword2000\pmog\well.location.exception.v-536736.order August 26, 2009]



Well Coordinates: (Geographic N27)
37.179005° 82.223208°

Latitude 37° 12' 30"

Note: The boundary lines shown hereon are based on deeds, plats and maps of record and do not depict a current boundary survey.

--- Mineral Line
- - - - - Surface Line

Lease No. 906889 / T-442

Floyd Viers

133.52 Acres

ACIN LLC - coal

Alpha Land & Reserves LLC - coal lessee

WBRD LLC - coal

Paramount Coal Company - coal lessee

Pine Mountain Oil & Gas, Inc. - oil & gas

Gas 29.92 Ac. 26.55%

Lease No. 906889 / T-293

George H. Fuller

79.60 Acres

ACIN LLC - coal

Alpha Land & Reserves LLC - coal lessee

WBRD LLC - coal

Paramount Coal Company - coal lessee

Range Resources - Pine Mountain, Inc. - oil & gas

Gas 54.01 Ac. 47.93%

John S. Owens - surface

1250'R

Longitude 82° 12' 30"

CNR-24545

V-536794

N 79°24' W
3,874'

N 40°41' W
251.06'

N 77°31' E
2,182'

V-536736

Approx. --- Surface R---

S 27°23' W
101.73'

Debra Aultin - surface

Lease No. 906889 / T-347

J.W. Robinson

284.89 Acres

Range Resources - Pine Mountain, Inc. - oil & gas

Gas 28.76 Ac. 25.52%

S 15°32' W
2,353'

V-536733

Well Coordinates: (VA St. Plane S. Zone,

NAD 83)

N 3,610,156.60 E 10,398,550.10

Well Coordinates: (VA St. Plane S. Zone,

NAD 27 Calculated from NAD 83)

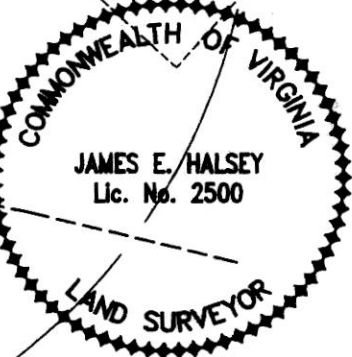
N 329,279.31 E 915,564.70

Well Coordinates: (Clinchfield Coal Co.)

N 28,785.92 E 46,734.92

Well elevation determined by GPS survey
from HARN Monument P-424

Area of Unit = 112.69 Ac.



WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-536736

TRACT NO. George H. Fuller/T-293 ELEVATION 1,914.45' QUADRANGLE Prater

COUNTY Dickenson DISTRICT Sandlick SCALE 1" = 400' DATE 6-11-2009

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey
Licensed Professional Engineer or Licensed Land Surveyor

Exhibit A